

Message Text

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C O N F I D E N T I A L WARSAW 0481

E.O. 11652: GDS

TAGS: PINT, PFOR, ETRD, PL

SUBJECT: SECOND PARTY PLENUM ADDRESSES WAYS TO
INCREASE ECONOMIC OUTPUT

REF 75 WARSAW 8347

1. SUMMARY: THE CENTRAL COMMITTEE ON JANUARY 22 CONVENED ITS SECOND PLENUM (THE FIRST SUBSTANTIVE ONE SINCE THE PARTY CONGRESS IN DECEMBER) TO DISCUSS WAYS OF SQUEEZING MORE OUT OF THE ECONOMY WITHOUT RAISING MATERIAL AND FINANCIAL INVESTMENT LEVELS. AFTER DISCUSSING PREMIER JAROSZEWICZ'S COMPREHENSIVE REPORT ON BETTER UTILIZATION OF ECONOMIC "RESERVES," THE PLENUM CALLED FOR BROAD SEARCH FOR ADDITIONAL WAYS TO ACHIEVE GREATER EFFICIENCY AND PRODUCTIVITY IN EMPLOYMENT, UTILIZATION OF EQUIPMENT, FUELS AND RESOURCES, AND IN AGRICULTURE. FIRST SECRETARY
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GIEREK FUTHER DEFINED HIS CONCEPT OF PLAN "OPENNESS"

STRONGLY SUGGESTING THAT HE EXPECTS TO EXCEED THE 1975-80 PLAN GOALS, WHICH ARE MODEST COMPARED TO ACHIEVEMENTS OF THE PAST PLAN PERIOD. HOWEVER, BOTH GIEREK AND PREMIER JAROSZEWICZ INDICATED THIS WOULD BE DONE ON A SELECTIVE BASIS AND BY PRODUCTIVITY INCREASES RATHER THAN ADDITIONAL INVESTMENT. GIEREK CALLED UPON THE PARTY APPARATUS TO EDUCATE THE PEOPLE ON THE CRUCIAL LINK BETWEEN BETTER WORK AND BETTER LIVING CONDITIONS. END SUMMARY.

2. THE PLENUM ESTABLISHED AS A BASIC GOAL THE ACHIEVEMENT OF A HIGHER QUANTITATIVE AND QUALITATIVE LEVEL OF PRODUCTION AND CREATION OF WAYS TO EXCEED THE GOALS OF THE ECONOMIC PLAN FOR 1976 WITHIN THE LIMITS OF CURRENT MATERIAL AND FINANCIAL ALLOCATIONS. INCREASED OUTPUT IS TO BE ACHIEVED BY BETTER HUSBANDING OF ALL EXISTING "RESERVES" IN EMPLOYMENT, TECHNICAL AND MATERIAL, AND OTHER AREAS. THE SAME PRINCIPLE IS TO APPLY IN SATISFYING DEMAND IN THE CONSUMER AND SERVICE SECTORS. DEFINING THE "ESSENCE" OF HIS "OPEN-PLAN" CONCEPT, GIEREK AVOWED THAT THE CURRENT GOALS OF THE NEW FIVE-YEAR PLAN WILL BE EXCEEDED, BUT HE STIPULATED THAT INCREASES WOULD NOT BE REALIZED BY EXCEEDING PLANNED INVESTMENT OUTLAYS, AS HAD BEEN THE CASE DURING THE PREVIOUS FIVE-YEAR PERIOD.

3. CALLING FOR A THOROUGH ANALYSIS OF THE UTILIZATION OF PRODUCTION FACTORS TO IDENTIFY POSSIBILITIES OF ACHIEVING GREATER EFFICIENCIES, THE PLENUM EMPHASIZED THE EMPLOYMENT SECTOR AND CALLED FOR REDUCTIONS OF FLUCTUATION AND ABSENTEEISM, BETTER WORK DISCIPLINE, AND IMPROVED EMPLOYMENT POLICY. IT DISCUSSED MORE EFFECTIVE USE OF MACHINERY, BETTER AND QUICKER MAINTENANCE, AND BETTER USE OF INDUSTRIAL LICENSING AND COOPERATION ARRANGEMENTS. IT EMPHASIZED REDUCED CONSUMPTION OF RESOURCES AND ENERGY AND IMPROVEMENT OF EXTRACTION AND PRODUCTION METHODS. FINALLY, IT CALLED FOR IMPROVEMENTS IN AGRICULTURE AND FOOD PRODUCTION ALONG THESE SAME LINES.

4. THE PLENUM TASKED THE GOVERNMENT WITH FORMULATING A PROGRAM TO IDENTIFY AND MANAGE RESERVES IN "ALL AREAS OF

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THE ECONOMY AND SOCIAL LIFE." PROGRAMS ARE TO BE WORKED OUT BY ALL DEPARTMENTS AND ENTERPRISES AT ALL LEVELS OF ADMINISTRATION. IT ORDERED THAT THEY BE INCORPORATED INTO THE FIVE-YEAR PLAN WITH THE FIRST EFFECTS TO BE ACHIEVED DURING THE CURRENT YEAR. IT FURTHER CHARGED THE PARTY, ESPECIALLY THE BASIC PARTY ORGANIZATIONS, WITH THE CREATION OF AN APPROPRIATE SOCIAL-POLITICAL CLIMATE SO AS TO TAP ADDITIONAL LEVELS OF ACTIVISM AND INITIATIVE.

GIEREK PARTICULARLY EMPHASIZED THIS IN HIS REMARKS, OBSERVING THAT IN ITS IDEOLOGICAL WORK, THE PARTY APPARATUS MUST FOSTER AN AWARENESS OF THE "ISEPARABLE LINK" BETWEEN THE QUALITY OF WORK AND THE QUALITY OF CONDITIONS OF LIFE.

5. IN HIS DISCUSSION OF THE "OPEN PLAN," GIEREK SPECIFICALLY RELATED FOREIGN TRADE TO HIS AIM OF ATTAINING ADDITIONAL OUTPUT WITHOUT FURTHER ALLOCATIONS. HE NOTED THAT THE "OPEN PLAN" WOULD FAVOR IMPROVEMENT IN THE FOREIGN-PAYMENTS BALANCE AND THAT ADDITIONAL EXPORTS SHOULD BE ACCOMPLISHED WITHOUT THE BURDEN OF IMPORTS. JAROSZEWICZ FURTHER REVEALED THE REGIME'S THINKING ON THE ROLE OF FOREIGN TRADE AND THE DIRECTIONS THAT MAY BE ASSUMED AS THE LONG-DISCussed REORGANIZATION OF THE FOREIGN-TRADE APPARATUS UNFOLDS. BOTH SEEMED TO CONCENTRATE ON TRADE WITH THE WEST, ALTHOUGH THEY WERE CAREFUL TO MENTION CONTINUED ECONOMIC INTEGRATION WITH THE SOCIALIST COUNTRIES.

6. ON THE QUESTION OF REVISED PLAN GOALS, JAROSZEWICZ SUGGESTED THAT DESIRED INCREASES SHOULD COME ONLY IN A SELECTIVE WAY. HE ALSO SUGGESTED CONCENTRATION OF INVESTMENT ON MODERNIZATION OF PLANT AND EQUIPMENT RATHER THAN THE CONSTRUCTION OF WHOLE NEW PROJECTS. HE REAFFIRMED THE LEADERSHIP'S DESIRE TO ENCOURAGE INNOVATION AND INDEPENDENT DECISION-MAKING, BUT WARNED THAT THE ENTERPRISES WILL BE HELD TO ACCOUNT IN TERMS OF THE COST-EFFECTIVENESS PRINCIPLES OUTLINED BY THE PLENUM.

7. COMMENT: THE TONE OF DISCUSSION AT THE PLENUM, AS PRESENTED IN PRESS ACCOUNTS, WAS UPBEAT AND DETERMINED. FIRMLY REINFORCING THE PARTY'S AIM OF DEMANDING GREATER OUTPUT FROM POLISH WORKERS AND BETTER

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MANAGEMENT FROM THEIR BOSSES THAT HAD BEEN SUGGESTED AT THE RECENT CONGRESS, THE SECOND PLENUM SEEMED TO MARK A FIRST STEP TOWARD FORMULATING PRACTICAL WAYS OF ACCOMPLISHING THIS AIM.

8. PREMIER JAROSZEWICZ IN HIS ADDRESS REVEALED A GREAT DEAL ABOUT THE GOVERNMENT'S APPROACH TO VARIOUS OTHER QUESTIONS WE HAVE KNOWN TO BE UNDER REVIEW, SUCH AS THE RELATIONSHIP OF THE GREAT ECONOMIC ORGANIZATIONS (WOG'S TO THE MINISTRIES, THE PRICE-REVIEW PROGRAM, AND REORGANIZATION OF THE FOREIGN-TRADE APPARATUS. WE WILL DISCUSS THESE FACTORS SEPARATELY. DAVIES

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